

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**The External Review of Hospital Quality**

**State Initiatives**



**JUNE GIBBS BROWN**  
**Inspector General**

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# EXECUTIVE SUMMARY

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## Purpose

To describe State government initiatives concerning the external review of hospital quality.

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## Background

### State Initiatives Aimed at Hospital Oversight

State agencies play important roles in overseeing hospitals, either as agents of the Health Care Financing Administration (HCFA), or under their own authorities to license such facilities and protect the public. Indeed, many States have developed and implemented initiatives aimed at addressing the quality of care in hospitals. This report presents a snapshot of six such initiatives that appear promising and could be instructive not only to other States but also to the Federal government. We present the initiatives in three categories: standardized performance measures, on-site surveys, and public disclosure of information on hospital performance.

This report is a follow-up to our recent series of reports that assessed the roles of HCFA and the Joint Commission in overseeing hospitals that participate in Medicare. In that series, we directed recommendations for improvement to HCFA.

Our information comes from discussions with the pertinent State officials and reviews of relevant documents.

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## Standardized Performance Measures

These are quantitative indicators that enable regulators, purchasers, and consumers to compare hospital performance to itself over time or to other hospitals. They can provide insights into a hospital's performance, foster improvements, and identify outliers.

### New York: Using Mortality Data to Measure Hospital Performance

New York collects and publishes mortality data on coronary artery bypass graft surgery (CABG) and other procedures, fulfilling both quality improvement and regulatory functions.

## **Pennsylvania: Creating Performance Report Cards**

Pennsylvania analyzes inpatient data from every hospital in the State to create reports that evaluate hospitals on quality-of-care measures such as length of stay, charges, and admission rates for CABG, breast cancer, and diabetes, among others. In 1998, it documented a 22 percent drop in in-hospital mortality for CABG from 1991 to 1995.

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## **On-site Surveys**

On-site surveys are a traditional way to assess directly a hospital's compliance with Federal, State, and local requirements. Many States, however, largely rely on the Joint Commission on Accreditation of Healthcare Organizations or surveys funded by HCFA for an on-site presence in their hospitals.

## **Utah: Observing Accreditation Surveys**

Utah relies on surveys by the Joint Commission to determine compliance with its hospital licensure requirements. However, Health Department officials participate in the summary session at the end of the Joint Commission's on-site survey. The Department looks to the findings of the Joint Commission in determining whether to pursue its own enforcement actions.

## **New York: Surprise Inspections of Residency Programs**

In 1998, New York launched 12 simultaneous surprise inspections of residency programs at teaching hospitals across the State. New York regulates resident working conditions, and these surprise inspections marked the State's first effort to ensure compliance.

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## **Public Disclosure through the Internet**

The Internet provides enormous opportunity for sharing performance information quickly and broadly. It can spur hospital improvements and reassure the public that an external review process is protecting its safety.

## **New Jersey: Listing Hospital Enforcement Actions**

New Jersey's website details resolved hospital enforcement actions, such as fines or other penalties imposed for violating licensure or certification regulations. The website also includes information about the State's inspection, licensure, and complaint processes. It updates the site quarterly.

## Colorado: Posting Compliance Summaries

Colorado posts hospitals' compliance histories on its website. In addition to basic hospital information, the website includes a summary of all complaints and serious events reported to the State since January 1999. The summaries describe the reported incident, what actions the facility took in response, and the Department's follow-up actions.

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## Conclusion

The State initiatives presented in this report show that States can draw on their own authorities and resources to add a measure of public protection not provided by either HCFA or the Joint Commission. The States have advantages, such as simply being closer to the action, that national reviewers would be hardpressed to match. And these advantages help States contribute a valuable complement to the existing, national approaches to external hospital review.

State initiatives can also serve as important catalysts for continued national efforts aimed at improved hospital oversight. Indeed, the States' experiences can be instructive to HCFA, the Joint Commission, and other States. The initiatives highlighted herein reinforce themes of balance and accountability that we promoted in our prior inquiry, which assessed the roles of HCFA and the Joint Commission. The States' experiences with performance measures, surprise inspections, and public disclosure demonstrate that such efforts can be both feasible and constructive.